

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 - 0 1 1 2

2. STATE:

Minnesota

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE  
January 15, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.120(d), 447.201(b)

7. FEDERAL BUDGET IMPACT:

a. FFY '02 \$ 981

b. FFY '03 \$ 1344

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 3.1-A, pp. 23-23a, 49-49a

Att. 3.1-B, pp. 22-22a, 48-48a

Att. 4.19-B, pp. 27, 40

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

same

10. SUBJECT OF AMENDMENT:

Services: Optometrists' and Eyeglasses

Rates: Eyeglasses and Medical supplies, equipment and appliances for the home

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Mary B. Kennedy

14. TITLE:

Medicaid Director

15. DATE SUBMITTED:

2/4/02

16. RETURN TO:

Stephanie Schwartz  
Minnesota Department of Human Services  
Federal Relations Unit  
444 Lafayette Road No.  
St. Paul, MN 55155-3653**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

March 11, 2002

18. DATE APPROVED:

March 11, 2002

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 15, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheryl A. Harnis

21. TYPED NAME:

Cheryl A. Harnis

22. TITLE: Associate Regional Administrator  
Division of Medicaid and Child Welfare

23. REMARKS:

RECEIVED

MAR 11 2002

DMCH - MINNAPOLIS

MINNESOTA  
MEDICAL ASSISTANCE

Federal Budget Impact of Proposed State Plan Amendment TN 02-02  
Attachments 3.1-A/B & 4.19-B: Optometrists' Services, Eyeglass Services, and Medical  
Supplies, Equipment, and Appliances for the Home

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Attachments 3.1-A/B

1. Optometrists' services, item 6.b.

The list of noncovered eyeglass services is repeated in item 12.d., Eyeglasses. Therefore, the list in item 6.b. is deleted and a cite to item 12.d. inserted. There is no fiscal impact.

2. Eyeglasses, item 12.d.

A. The State plan is updated by adding to the list setting out instances in which payment will be made for a new pair of eyeglasses. Current policy allows for a new pair of eyeglasses when there is a prescription change of at least .5 diopter. Because this is current policy, there is no fiscal impact.

B. The list of noncovered eyeglass services is updated to delete the reference to the volume purchase contract. See Attachment 4.19-B, item 12.d., below.

C. The State plan is updated to clarify current policy that allows for transition lenses when medically necessary. Because this is current policy, there is no fiscal impact.

Attachment 4.19-B

1. Medical supplies, equipment, and appliances suitable for use in the home, item 7.c.

Outdated language governing the eyeglass volume purchase contract is deleted. See item 12.d., following.

2. Eyeglasses, item 12.d.

For eyeglasses and ophthalmic materials provided on or after January 1<sup>st</sup>, 2002, the Department will pay providers the lower of: 1) the submitted charge; or 2) .481 of the July 2001 Medicare rate or the state agency established rate. The volume purchase contract was discontinued effective January 1, 2002.

The Department expects that this change will affect approximately 35,000 Medicaid recipients – the same number who received eyeglass services in calendar year 2001.

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Federal Budget Impact

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TN 02-02

The Department estimates the federal budget costs as follows:

	<u>FFY '02*</u>	<u>FFY '03</u>
State share	\$ 981,057	\$1,343,985
<b>Federal share</b>	<b>\$ 981,057</b>	<b>\$1,343,985</b>
 Total MA Cost	 \$1,962,114	 \$2,687,985

\* January 15, 2002 through September 30, 2002

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6.b. Optometrists' services.

- Optometry services are covered if they are within the scope of practice for optometrists under State law or rule.
- ~~The following Item 12.d. contains the list of eyeglass services that are not eligible for payment.~~

- ~~(1) Replacement of lenses or frames to change the style or color.~~
- ~~(2) Cosmetic services. Examples are:~~
  - ~~(a) contact lenses prescribed for reasons other than aphakia;~~
  - ~~(b) keratoconus;~~
  - ~~(c) aniseikonia;~~
  - ~~(d) marked acuity improvement over correction with eyeglasses; and~~
  - ~~(e) bandage lenses.~~
- ~~(3) Dispensing services related to a noncovered service.~~
- ~~(4) Fashion tints and polarized lenses, unless medically necessary.~~
- ~~(5) Protective coating for plastic lenses.~~
- ~~(6) Edge and anti-reflective coating of lenses.~~
- ~~(7) Industrial or sport eyeglasses, unless they are the recipient's only pair and necessary for vision correction.~~
- ~~(8) Eyeglasses, lenses, or frames that are not medically necessary.~~
- ~~(9) Invisible bifocals or progressive bifocals.~~
- ~~(10) An eyeglass service for which a required prior authorization was not obtained.~~
- ~~(11) Replacement of lenses or frames due to provider Error in prescribing, frame selection, or measurement. The provider making the error is responsible for bearing the cost of correcting the error.~~
- ~~(12) Services or materials that are considered to be experimental or nonclinically proven to prevailing community standards or customary practice.~~
- ~~(13) Eyeglass repair during the warranty period if the repair is covered by a warranty.~~

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ATTACHMENT 3.1-A  
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6.b. Optometrists' services. (continued.)

- ~~(14) Purchase of eyeglasses or lenses not covered by a contract obtained through the competitive bidding process.~~
- ~~(15) Backup eyeglasses.~~
- ~~(16) Photochromatic lenses, except for a recipient who has a diagnosis of albinism, achromatopsia, aniridia, blue cone monochromatism, cystinosis, or retinitis pigmentosa, or any other condition for which such lenses are medically necessary.~~
- ~~(17) Transition lenses.~~
- ~~(18) High index plastic lenses.~~
- ~~(19) Eyeglasses or lenses for occupational or educational needs, unless they is the recipient's only pair and are necessary for vision correction.~~

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12.d. Eyeglasses.

- Comprehensive vision examinations and intermediate vision examinations are eligible for payment.
- Medically necessary eyeglasses are specifically defined.
- Eyeglasses which have been lost, stolen, or irreparably damaged must be an identical replacement.
- Payment will be made for a new pair of eyeglasses for:
  - 1) A change in the recipient's head size<sub>7.</sub>
  - 2) A change in eyeglasses mandated by medical necessity<sub>7</sub> and<sub>.</sub>
  - 3) ~~For An~~ allergic reaction to the eyeglass material<sub>.</sub>
  - 4) A prescription change of .5 diopter or greater.
- The following eyeglasses or eyeglass services are not covered:
  - 1) ~~eyeglasses and lenses not covered by a contract obtained through the competitive bidding process;~~
  - 2) ~~Cosmetic services. Examples are:~~
  - 2) Contact lenses prescribed for reasons other than aphakia, keratoconus, aniseikonia, marked acuity improvement over correction with eyeglasses, or bandage lenses<sub>7.</sub>
  - 3) Dispensing services related to a noncovered service<sub>7.</sub>
  - 4) Replacement of lenses or frames to change the style or color<sub>7.</sub>
  - 5) Fashion tints and polarized lenses, unless medically necessary<sub>7.</sub>
  - 6) Protective coating for plastic lenses<sub>7.</sub>
  - 7) Edge and anti-reflective coating of lenses<sub>7.</sub>
  - 8) Industrial or sport eyeglasses, unless they are the recipient's only pair and are necessary for vision correction<sub>7.</sub>
  - 9) Eyeglasses, lenses, or frames that are not medically necessary<sub>7.</sub>
  - 10) Invisible bifocals or progressive bifocals<sub>7.</sub>

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12.d. Eyeglasses. (continued)

- 11) An eyeglass service for which a required prior authorization was not obtained~~7.~~
- 12) Replacement of lenses or frames due to provider error in prescribing, frame selection, or measurement. The provider making the error is responsible for bearing the cost of correcting the error~~7.~~
- 13) Services or materials that are considered to be experimental or nonclinically proven by prevailing community standards or customary practice~~7.~~
- 14) Eyeglass repair during the warranty period if the repair is covered by warranty~~7.~~
- 15) ~~purchase of eyeglasses or lenses not covered by a contract obtained through the competitive bidding process,~~
- ~~16)~~ Backup eyeglasses~~7.~~
- ~~17)~~16) Photochromatic lenses, except for a recipient who has a diagnosis of albinism, achromatopsia, aniridia, blue cone monochromastism, cyctinosis, or retinitis pigmentosa, or any other condition for which such lenses are medically necessary~~7.~~
- ~~18)~~17) Transition lenses unless medically necessary~~7.~~
- ~~19)~~18) High index plastic lenses~~7 and .~~
- ~~20)~~19) Eyeglasses or lenses for occupational or educational needs, unless it is the recipient's only pair and are necessary for vision correction.

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6.b. Optometrists' services.

- Optometry services are covered if they are within the scope of practice for optometrists under State law or rule.
- The following Item 12.d. contains the list of eyeglass services that are not eligible for payment:

~~(1) Replacement of lenses or frames to change the style or color.~~

~~(2) Cosmetic services. Examples are:~~

~~(a) contact lenses prescribed for reasons other than aphakia,~~

~~(b) keratoconus,~~

~~(c) aniseikonia,~~

~~(d) marked acuity improvement over correction with eyeglasses, and~~

~~(e) bandage lenses.~~

~~(3) Dispensing services related to a noncovered service.~~

~~(4) Fashion tints and polarized lenses, unless medically necessary.~~

~~(5) Protective coating for plastic lenses.~~

~~(6) Edge and anti-reflective coating of lenses.~~

~~(7) Industrial or sport eyeglasses, unless they are the recipient's only pair and necessary for vision correction.~~

~~(8) Eyeglasses, lenses, or frames that are not medically necessary.~~

~~(9) Invisible bifocals or progressive bifocals.~~

~~(10) An eyeglass service for which a required prior authorization was not obtained.~~

~~(11) Replacement of lenses or frames due to provider Error in prescribing, frame selection, or measurement. The provider making the error is responsible for bearing the cost of correcting the error.~~

~~(12) Services or materials that are considered to be experimental or nonclinically proven to prevailing community standards or customary practice.~~

~~(13) Eyeglass repair during the warranty period if the repair is covered by a warranty.~~



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ATTACHMENT 3.1-B

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6.b. Optometrists' services. (continued.)

~~(14) Purchase of eyeglasses or lenses not covered by  
a contract obtained through the competitive  
bidding  
process.~~

~~(15) Backup eyeglasses.~~

~~(16) Photochromatic lenses, except for a recipient  
who has a diagnosis of albinism, achromatopsia,  
aniridia, blue cone monochromatism, cystinosis,  
or retinitis pigmentosa, or any other condition  
for which such lenses are medically necessary.~~

~~(17) Transition lenses.~~

~~(18) High index plastic lenses.~~

~~(19) Eyeglasses or lenses for occupational or  
educational needs, unless they is the  
recipient's only pair and are necessary for  
vision correction.~~

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12.d. Eyeglasses.

- Comprehensive vision examinations and intermediate vision examinations are eligible for payment.
- Medically necessary eyeglasses are specifically defined.
- Eyeglasses which have been lost, stolen, or irreparably damaged must be an identical replacement.
- Payment will be made for a new pair of eyeglasses for:
  - 1) A change in the recipient's head size<sub>7.</sub>
  - 2) A change in eyeglasses mandated by medical necessity<sub>7</sub> and<sub>.</sub>
  - 3) ~~For An~~ allergic reaction to the eyeglass material<sub>.</sub>
  - 4) A prescription change of .5 diopter or greater.
- The following eyeglasses or eyeglass services are not covered:
  - 1) ~~eyeglasses and lenses not covered by a contract obtained through the competitive bidding process;~~
  - 2) ~~Cosmetic services. Examples are:~~
  - 2) Contact lenses prescribed for reasons other than aphakia, keratoconus, aniseikonia, marked acuity improvement over correction with eyeglasses, or bandage lenses<sub>7.</sub>
  - 3) Dispensing services related to a noncovered service<sub>7.</sub>
  - 4) Replacement of lenses or frames to change the style or color<sub>7.</sub>
  - 5) Fashion tints and polarized lenses, unless medically necessary<sub>7.</sub>
  - 6) Protective coating for plastic lenses<sub>7.</sub>
  - 7) Edge and anti-reflective coating of lenses<sub>7.</sub>
  - 8) Industrial or sport eyeglasses, unless they are the recipient's only pair and are necessary for vision correction<sub>7.</sub>
  - 9) Eyeglasses, lenses, or frames that are not medically necessary<sub>7.</sub>
  - 10) Invisible bifocals or progressive bifocals<sub>7.</sub>

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12.d. Eyeglasses. (continued)

- 11) An eyeglass service for which a required prior authorization was not obtained~~7.~~
- 12) Replacement of lenses or frames due to provider error in prescribing, frame selection, or measurement. The provider making the error is responsible for bearing the cost of correcting the error~~7.~~
- 13) Services or materials that are considered to be experimental or nonclinically proven by prevailing community standards or customary practice~~7.~~
- 14) Eyeglass repair during the warranty period if the repair is covered by warranty~~7.~~
- 15) ~~purchase of eyeglasses or lenses not covered by a contract obtained through the competitive bidding process,~~
- ~~16)~~ Backup eyeglasses~~7.~~
- ~~17)~~16) Photochromatic lenses, except for a recipient who has a diagnosis of albinism, achromatopsia, aniridia, blue cone monochromatism, cyctinosis, or retinitis pigmentosa, or any other condition for which such lenses are medically necessary~~7.~~
- ~~18)~~17) Transition lenses unless medically necessary~~7.~~
- ~~19)~~18) High index plastic lenses~~7 and .~~
- ~~20)~~19) Eyeglasses or lenses for occupational or educational needs, unless it is the recipient's only pair and are necessary for vision correction.

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7.c. Medical supplies, equipment, and appliances suitable for use in the home.

Hearing aids, ~~eyeglasses~~ and oxygen are purchased on a volume basis through competitive bidding.

Medical supplies and equipment that are not purchased on a volume basis are paid the lower of:

- (1) submitted charge;
- (2) Medicare fee schedule amount for medical supplies and equipment; or
- (3) if Medicare has not established a payment amount for the medical supply or equipment, an amount determined using one of the following methodologies:
  - (a) 50th percentile of the usual and customary charges submitted for the medical supply or equipment for the previous calendar year minus 20 percent;
  - (b) if no information about usual and customary charges exists for the previous calendar year, payment is based upon the manufacturer's suggested retail price minus 20 percent; or
  - (c) if no information exists about manufacturer's suggested retail price, payment is based on cost (wholesale) plus 20 percent.

Augmentative and alternative communication device manufacturers and vendors are paid the manufacturers's suggested retail price.

Enteral products are paid the lower of:

- (1) submitted charge; or
- (2) Medicare fee schedule amount for enteral products.
  - Pediatric enteral products may be paid at the average wholesale price.

Parenteral products are paid using the methodology in item 12.a., Prescribed drugs, for drugs dispensed by a pharmacy.

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ATTACHMENT 4.19-B

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12.d. Eyeglasses.

~~Payment for eyeglasses and ophthalmic materials is based on volume purchase contracting established through the competitive bidding process.~~

Effective for services provided on or after January 15, 2002, payment for eyeglasses and ophthalmic materials is the lower of:

- 1) submitted charge; or
- 2) a) .481 of the July 2001 Medicare rate; or  
b) state agency established rate.